

Meeting Date: 06/05/07

Santa Clara



# AGENDA REPORT

City of Santa Clara, California

Agenda Item #

SC



**DATE:** June 4, 2007

**TO:** City Manager for Council Information

**FROM:** Deputy City Manager

**SUBJECT:** Regional Economic Impact Report Analyzing Benefits of the Proposed 49er Stadium

On June 4, 2007, Mr. Steve Van Dorn, President and General Manager of the Santa Clara Chamber of Commerce and Convention-Visitors Bureau provided the City with a copy of the Regional Economic Impact Report analyzing the benefits of the proposed 49er stadium in Santa Clara. The report, commissioned by the Santa Clara Chamber of Commerce and Convention-Visitors Bureau and the San Jose Convention and Visitors Bureau, was completed by Dr. John Connaughton, a professor for over thirty years of economic and finance policy experience, currently a professor of Economics with the University of North Carolina at Charlotte.

A copy is attached for your information.

*Carol McCarthy*

Carol McCarthy  
Deputy City Manager

/jk

Enclosure

APPROVED:

*Jennifer Sparacino*

Jennifer Sparacino  
City Manager



**RECEIVED**

**JUN 04 2007**

Office of the  
City of Santa Clara



June 4, 2007

Dear Honorable Mayor and City Council,

The Santa Clara Chamber of Commerce and Convention-Visitors Bureau and the San Jose Convention and Visitors Bureau are pleased to submit the following Regional Economic Impact report analyzing the benefits of the proposed 49er stadium in Santa Clara. The report, funded in partnership between the two organizations was completed by Dr. John Connaughton, a professor for over thirty years of economic and finance policy experience, currently a professor of Economics with the University of North Carolina at Charlotte.

The review and validity of the economic impact study completed by the 49er management and consulting firm, Conventions, Sports & Leisure (CSL) was important determine the benefit the proposed stadium could have on the City of Santa Clara and the region as a whole. The report findings show that the potential regional benefits are bigger than the report findings contained in the CSL report.

The scope of work included a review of the economic impact of a stadium built in Santa Clara. The study evaluated County specific direct, indirect, induced and total impacts. The study includes an in depth look at impacts associated with the operations of the stadium, local spending, economic impact, and various taxes generated as a result of the proposed stadium. It also looked at other events at the stadium besides football games that provide additional benefits the community and region.

Highlights from the attached study include:


- The total annual economic impact of both on-site and off-site on-going stadium operations on Santa Clara County is \$650,864,140.
- The total number of both on-site and off-site jobs supported, within Santa Clara County, by the on-going stadium operations is 3,665.
- The total annual value added impact of both on-site and off-site on-going stadium operations on Santa Clara County is \$472,422,153.
- The total local annual tax impact of on-going stadium operations is \$7,470,509.
- The total local tax impact over the six years of construction of the proposed stadium is \$8,344,997.

The Santa Clara and San Jose Convention and Visitors Bureaus look forward to working with you to make our region a great destination to live, work, play and visit.

Sincerely,



**Dan Fenton**  
President and CEO, San Jose Convention  
and Visitors Bureau



**Steven Van Dorn**  
President and General Manager, Santa Clara Chamber  
of Commerce and Convention-Visitors Bureau

Cc:

Honorable Mayor and City Council, City of San Jose  
Jennifer Sparacino, City Manager, City of Santa Clara  
Les White, City Manager, City of San Jose

Attached:

**THE ECONOMIC IMPACT OF A PROPOSED NEW STADIUM ON THE SANTA  
CLARA COUNTY ECONOMY**

Completed by Dr. John Connaughton

# **THE ECONOMIC IMPACT OF A PROPOSED NEW STADIUM ON THE SANTA CLARA COUNTY ECONOMY**

**Prepared for:**

**San Jose Convention and Visitors Bureau  
Santa Clara Chamber of Commerce**

**Prepared by:**

**John E. Connaughton, Ph.D.  
Alain A. Krapf, MS**

**June 4, 2007**

# **THE ECONOMIC IMPACT OF A PROPOSED NEW STADIUM ON THE SANTA CLARA COUNTY ECONOMY**

## **EXECUTIVE SUMMARY**

The study, commissioned by the San Jose Convention and Visitors Bureau and Santa Clara Chamber of Commerce and Convention-Visitors Bureau, evaluates the economic impact of a proposed stadium on Santa Clara and the Santa Clara County region as a whole. The study methodology includes an analysis of tax revenues by industry segment, construction related impacts on jobs and the economy and economic impact based on event data and visitor spending. Overall, the addition of a new multi-purpose stadium in Santa Clara County will play an important role in the economic fabric of the county. In addition to the entertainment and cultural enrichment value the stadium will have a significant impact on the county's economy. This report has documented the annual economic impact that on-going operations of the stadium have on the Santa Clara County economy based on income and expenditure information provided for the 2012/2013 season.

### **Major findings of the study include:**

- The total annual economic impact of both on-site and off-site on-going stadium operations on Santa Clara County is \$650,864,140.
- The total number of both on-site and off-site jobs supported, within Santa Clara County, by the on-going stadium operations is 3,665.
- The total annual value added impact of both on-site and off-site on-going stadium operations on Santa Clara County is \$472,422,153.
- The total local annual tax impact of on-going stadium operations is \$7,470,509.
- The total local tax impact over the six years of construction of the proposed stadium is \$8,344,997.

## **INTRODUCTION**

The purpose of this report is to analyze and define the economic impact of a proposed new football stadium on the Santa Clara County economy. The report provides economic information for the on-going impact of the San Francisco 49ers during the 2012 NFL season, the on-going impact of the other events during the last six months of 2012 and the first six months of

2013, and the economic impact of the stadium construction between 2007 and 2012. The report estimates the annual local tax impact of the stadium during the 12 month period of the 2012/2013 fiscal year. This report consists of six sections. The first section provides a description of the methodology that is used in this study. This description is both, general in nature as well as specific to the techniques used in this report. The second section of the study presents an analysis of the impact of the 49ers on both the county's economic output as well as employment. The third section presents an analysis of the impact of other events at the stadium on the county's economic output and employment. The fourth section details the one-time economic impact of the construction of the stadium during the 2007 to 2012 time period. The fifth section will estimate the annual local tax impact of on-going operations during the 2012/2013 fiscal year. Finally, the last section will summarize the major findings of the study.

## **1. ECONOMIC IMPACT METHODOLOGY**

The typical measures of the economic impact of an industry are output and jobs. To accurately assess the total economic impact, the most important pieces of information are estimates of *direct* output and employment. The term *direct* refers to the dollar output or employment associated with the firm, industry or institution being evaluated. For this impact study the term *direct* is most closely associated with the direct output of the San Francisco 49ers, other events at the stadium, and stadium construction. Direct output comes from the team's income from ticket sales, concessions, novelty items, parking fees and non-game related revenues such as local and national broadcasting rights and advertising. Direct output for other events held at the stadium also comes from ticket sales, concessions, novelty items, parking fees and non-game related revenues such as local and national broadcasting rights and advertising. Direct output for stadium construction is based on material and labor costs. Sections two through four of this study break down the different revenue streams in detail and explain how they are used to estimate the output and employment effects on Santa Clara County.

The multiplier concept then captures the *total* effect of the team's direct output and employment impact on the overall economy. For instance, a job multiplier value of 2.1 would mean that for each job in an industry, 1.1 additional jobs are generated in other parts of the economy (the *total* benefit to the economy being 2.1 jobs). Similarly, a loss of 100 jobs in an industry would, through the multiplier, translate into a subsequent employment loss of 110 jobs in other sectors, for a *total* employment loss of 210 jobs ( $100 \times 2.1$ ).

For this study, output, and employment multipliers for the 2007 through 2013 time period were estimated using a methodology developed by the United States Government and maintained by the Minnesota IMPLAN Group. This methodology uses an input/output table to estimate output and employment multipliers for each industry within a state and within a county. These multipliers are industry-specific and provide for a high level of detail.

In this particular study, the IMPLAN 387 by 387 multiplier matrices for Santa Clara County were used to obtain multipliers for dollar output, and employment. These matrices provide multipliers for 387 detailed four-digit North American Industrial Classification System (NAICS) code industries. For Santa Clara County the IMPLAN output and employment multipliers used in this study are presented in Table 1.1. The multipliers are the latest available and are based on 2004 data. To more accurately estimate the employment impacts for the 2007 through 2013 period, it is necessary to account for effects of inflation. The Consumer Price Index (CPI) was used to make the necessary adjustments to the employment multipliers<sup>1</sup>.

The IMPLAN multipliers can be applied to *direct* output, and employment information to estimate the *total* impact of an industry on a region's economy. In addition, IMPLAN provides a comprehensive set of disaggregated multipliers that can be used to estimate the *indirect* impacts and the *induced* impacts separately from the *total* impact at the regional level. The *indirect* effect is the additional economic activity of the supplier chain, within the region, caused by the economic activity of the *direct* industry. The *induced* effect is the additional economic activity of all other unrelated firms and households, within the region, caused by the economic activity of the industry and the *indirect* effect.

The interpretation of the output multipliers that are used is the following: Looking at Table 1.1 we see that an output multiplier of 1.54, which is the total output multiplier for Commercial Sports (IMPLAN 472), applies to the team's direct on-site expenditures. This means that every \$1.00 dollar that is spent on-site at a 49ers game at the new stadium an additional \$0.54 of economic output would be created within Santa Clara County. The \$0.54 is a combined *indirect* and *induced* effect. \$0.17 of economic output is generated within the direct supplier chain associated with the 49ers and \$0.37 is generated outside the team and the direct supplier chain but within the Santa Clara County economy due to the *direct* and *indirect* output impacts.

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<sup>1</sup> IMPLAN employment multipliers are expressed as jobs per \$1 million of output.

The interpretation of the employment multipliers is slightly different. Looking at Table 1.1 we see that an employment multiplier for Commercial Sports (IMPLAN 472) of 7.81 is used to the team's direct on-site expenditures. This means that for every \$1,000,000 that is spent on-site at a 49ers event, a total of 7.81 jobs are supported annually within the Santa Clara County economy. This number includes full and part time jobs and can be disaggregated into direct, indirect and induced jobs.

**Table 1.1**  
**Adjusted 2012 Santa Clara County Multipliers**

Item	IMPLAN	Industry Title	Direct	Indirect	Induced	Total
<b>Commercial Sports</b>						
Output	472	Spectator Sports	1.000000	0.170965	0.369119	1.540084
Employment	472	Spectator Sports	4.650834	0.922064	2.235336	7.808235
Value Added	472	Spectator Sports	0.785859	0.118760	0.238251	1.142870
<b>Hotel/Motel</b>						
Output	479	Hotels & Motels	1.000000	0.261934	0.212037	1.473971
Employment	479	Hotels & Motels	9.068517	1.297987	1.284074	11.650578
Value Added	479	Hotels & Motels	0.663157	0.160704	0.136862	0.960723
<b>Food &amp; Entertainment</b>						
Output	481	Food Services & Drinking Places	1.000000	0.236326	0.194966	1.431292
Employment	481	Food Services & Drinking Places	14.456673	1.141933	1.180685	16.779291
Value Added	481	Food Services & Drinking Places	0.525437	0.133820	0.125842	0.785099
<b>Automotive/Gasoline</b>						
Output	407	Gasoline Stations	1.000000	0.260347	0.200476	1.460822
Employment	407	Gasoline Stations	6.212869	1.302244	1.214068	8.729181
Value Added	407	Gasoline Stations	0.652885	0.169114	0.129400	0.951399
<b>Retail</b>						
Output	410	General Merchandise Stores	1.000000	0.288067	0.238180	1.526248
Employment	410	General Merchandise Stores	12.943204	1.440898	1.442381	15.826483
Value Added	410	General Merchandise Stores	0.615925	0.187120	0.153735	0.956781
<b>Tail Gating</b>						
Output	405	Food & Beverage Stores	1.000000	0.258150	0.256401	1.514552
Employment	405	Food & Beverage Stores	9.831641	1.291257	1.552734	12.675633
Value Added	405	Food & Beverage Stores	0.655813	0.167687	0.165497	0.988997
<b>Construction I</b>						
Output	38	Commercial & Institutional Buildings	1.000000	0.178916	0.283343	1.462259
Employment	38	Commercial & Institutional Buildings	6.590972	1.123702	1.715894	9.430568
Value Added	38	Commercial & Institutional Buildings	0.634113	0.110635	0.182887	0.927636
<b>Construction II</b>						
Output	439	Architectural & Engineering Services	1.000000	0.283313	0.329316	1.612628
Employment	439	Architectural & Engineering Services	5.582692	1.764295	1.994287	9.341274
Value Added	439	Architectural & Engineering Services	0.641852	0.181826	0.212560	1.036237

Because of the increase in opposition to the use of public funds for sports development, there has been an increase in the level of scrutiny of economic impact studies. As a result, recent



studies have begun to manage the impact to produce an acceptable number. This impact management is accomplished in two ways. First, is the downward adjustment of expenditures.

This process involves the arbitrary adjustment of expenditures for leakages of spending from the study region. For example, player's salaries might be reduced by 65 percent using the argument that players do not live in the community year round and therefore do not spend all of their income within the community. Impact studies may also reduce other administrative salaries based on a similar argument. The problem with this approach is three-fold. First, the adjustments are arbitrary, there is no justification given for the selection of the percentages. Second, all U.S. government economic data on employment, Gross Domestic Product (GDP), and Gross State Product (GSP) is collected based on, "place-of-work", not place of residence. Therefore, a residency adjustment would be inconsistent with the data collection process. Third, and most importantly, the IMPLAN multiplier system already takes an industry's unique leakage factor into account in the estimation of the multiplier as it is applied to indirect and induced spending.

In the construction of regional multipliers for a specific industry the IMPLAN system estimates the local industry's regional purchase coefficients by industry. This process is explicitly designed to adjust for spending leakages. The regional purchase coefficient estimates measure two important factors. First, the total dollar value of intermediate expenditure made by the direct industry on each of its supplier chain industries regardless of location. Second, the regional coefficient is calculated based on the level of economic activity in each supplier chain industry within the impact region. So if there is not a local supplier for a particular intermediate product industry, then the regional purchase coefficient would be zero and the multiplier would be adjusted downward to reflect that level of leakage. In contrast, if there is a very well developed supplier chain industry for a particular direct industry then the regional purchase coefficient would approach one and the resulting multiplier would be larger reflecting the lack of intermediate good purchase leakage. This direct industry/supplier chain industry relationship is unique for every industry in every region. The ability to adjust multipliers for those industry-specific and region-specific differences is what makes IMPLAN so valuable.

The second adjustment process that is commonly used to manage impact numbers is the recirculation of spending or substitution. This is the idea that spending by local residents should not be considered because if they did not spend their money on the sporting activity they would spend it on something else within the community. This concept is not a theoretical certainty but

rather an empirical question. For example, if the study event did not take place, then it is possible that local residents might choose to purchase the same type of activity outside of the local region. If this were the case spending by local residents on the local sporting event would actually be blocking a leakage that would otherwise take place. Also, a total discount of local resident spending does not address the issue of a difference in spin-off spending of different events.

To address and overcome these issues this report provides both the traditional output impact estimates and also estimates of value added of the proposed activity within the local region. The IMPLAN concept of output measures the wholesale price (FOB) of all goods leaving the factory. This measurement does not take into consideration how much of the product was actually assembled, or had value added, at the plant. Value added only measures the part of the final product value that was produced by the specific plant. It does not include the value of the intermediate products that are brought into the plant from other sources during the production process. This is a fine point and easily understood in a manufacturing environment, but the distinction is less clear in an industry other than manufacturing.

The concept of value added is analogous to GDP. GDP measures the dollar value of final goods and services at the point of sale, while value added measure the value that was added to the final market price at the various stages of production. Theoretically they are equivalent. However, GDP only measures output at its final stage and therefore is regionally neutral. Value added can provide the regional context of production by identifying the local region where the value was added.

The range of the relationship between output and value added varies greatly among various industries. Within Santa Clara County the range is as low as .06 percent and up to .89 (most service industries). For the commercial sports sector within Santa Clara County the ratio is 0.78. By presenting the estimates of value added we can directly address the incremental productive activity taking place within a local region that results from a specific economic activity. In economic terms, value added measures the contribution of local factors of production (land, labor, capital, and entrepreneurship). As a result, we do not need to be concerned with reducing or adjusting expenditures because we are clearly measuring local productive activity.

## **2. THE ECONOMIC IMPACT OF ON-GOING FOOTBALL ACTIVITY ON SANTA CLARA COUNTY**

This section of the report details the economic impact of the operation of the 49ers football team on the Santa Clara County economy. The effect is separated into an economic output impact, an employment impact, and a value added impact. In the first part of the second section of this study, we present a complete list of revenues that are associated with 49ers football and games held at the stadium.

Table 2.1 contains revenues that are generated by the attendance at the games. This study assumes that the 49ers play 10 home games in their own stadium. For the 2012 season: Total ticket attendance per game is 65,000. The calculations are based on the average ticket price, a club seats premium, and a luxury box premium all of which are non-disclosed (ND). The total ticket revenue for the 2012 season is \$127,023,500.

In addition to the revenue generated from ticket and premium seating, the 49ers generate on-site concession revenue. In order to estimate concession sales as accurately as possible, it is necessary to account for people who purchased tickets but do not attend the game. This study assumes that one and one-half percent of ticket buyers do not actually attend the game. Table 2.2 details the concession revenue for the 2012 season. Actual in-arena attendance is 64,025 per game with an average spending of \$16.05 per person, adding up to a total of \$10,276,013 per season.

**Table 2.1**  
**Attendance and Ticket Revenue Summary**

<b>Item</b>	<b>2012</b>
Total Attendance per Season	650,000
Avg. Ticket Attendance/Game	65,000
Avg. Ticket Price	ND
<b>Gross Ticket Revenue</b>	<b>ND</b>
Avg. Club Seat Attendance/Game	7,500
Premium Net of Ticket Price for Club Seats	ND
<b>Gross Club Seating Revenue</b>	<b>ND</b>
Avg. Luxury Box Attendance/Game	170
Premium Net of Ticket Price for Luxury Box	ND
<b>Gross Luxury Boxes Revenue</b>	<b>ND</b>
<b>Total Ticket &amp; Premium Seating Revenue</b>	<b>\$127,023,500</b>

Table 2.3 shows the revenue that is generated by the sale of novelty items. An adjustment for people who purchased tickets but do not attend the game is also made for novelty sales. On average 64,025 people attend a 49ers game and spend an average of \$2.91 on novelty items which generates \$1,863,128 in novelty revenue per season.

**Table 2.2**  
**Concession Revenue**

<b>Item</b>	<b>2012</b>
<b>Regular Seats</b>	
Attendance per game	65,000
Estimated Number of No Shows (1.5%)	975
Adjusted Attendance per game	64,025
Per Capita Revenue	\$16.05
Gross Revenue Per Game	\$1,027,601
<b>Total Gross Revenue per Season</b>	<b>\$10,276,013</b>

**Table 2.3**  
**Novelty Revenue**

<b>Item</b>	<b>2012</b>
In-Park Attendance	65,000
Estimated Number of No Shows (1.5%)	975
Adjusted Attendance per game	64,025
Per Cap Novelty Revenue	\$2.91
Gross Novelty Revenue Per Game	\$186,313
<b>Gross Novelty Revenue Per Season</b>	<b>\$1,863,128</b>

Table 2.4 presents the on-site revenue that is generated by parking fees that are charged to arena visitors who attend the game. An adjustment for people who purchased tickets but do not attend the game is also made for parking revenue. Total parking revenue for the 2012 season is \$5,910,000.

There is also non-game related revenue that is generated by the 49ers. In table 2.5 the different types of non-game related revenues that are generated by the team are presented. The actual individual item amounts were used to estimate the total revenue that non-game activities provide. However, the national broadcasting rights, local broadcasting rights, naming rights, NFL Properties Royalties, and game promotions are non-disclosed. The total of non-game related revenue is \$205,169,000 for the 2012 season.

**Table 2.4**  
**Parking Revenue**

<b>Item</b>	<b>2012</b>
Cars at Arena	20,000
Estimated Number of No Shows (1.5%)	300
Adjusted Attendance per game	19,700
Per Car Parking Revenue	\$30.00
Gross Parking Revenue Per Game	\$591,000
<b>Gross Parking Revenue Per Season</b>	<b>\$5,910,000</b>

**Table 2.5**  
**Non-Game Related Revenue**

<b>Item</b>	<b>2012</b>
National Broadcast	ND
Local Broadcast	ND
Naming Rights	ND
NFL Properties Royalties	ND
Game Promotions	ND
<b>Total Non-Game Revenue</b>	<b>\$205,169,000</b>

The San Francisco 49ers play 10 home games per season against another team that comes from out-of-town. There are revenues associated with a guest team coming to Santa Clara County, as well as revenues that are associated with referees, scouts, officials and members of the media spending money on lodging and dining. Table 2.6 summarized the expenditures associated with visiting teams, officials and media. Visiting teams travel with roughly 150 people, staying 1 day/night in Santa Clara spending \$118 per capita on hotel expenditures and \$66 per capita per day on food and entertainment. Visiting national television includes 100 people visiting Santa Clara County and staying on average 1.5 days/nights spending \$66 per day on food and entertainment and \$150 per person on hotel. Visiting local radio travels with 6 people staying an average of 1 day/night. The per capita spending of local radio is the same as national television. There are also 35 people that are referees, scouts, or other team officials. They stay on average 1.5 days/nights in Santa Clara and spend \$66 per capita per day and \$150 per night on hotel expenditures. Finally there are also 10 NFL officers who stay on average 1 day/night and spend \$132 per day on food and entertainment and \$300 on hotel expenditures per night. Total off-site spending by these visitors adds up \$769,560 for the 2012 season.

**Table 2.6**  
**Off-Site Revenue Generated by Visiting Teams**

<b>Item</b>	<b>2012</b>
<b>Visiting Team</b>	
Hotel/Motel	\$177,000
Food/Entertainment	\$99,000
<b>Visiting National TV/Radio</b>	
Hotel/Motel	\$225,000
Food/Entertainment	\$99,000
<b>Visiting Local TV/Radio</b>	
Hotel/Motel	\$9,000
Food/Entertainment	\$3,960
<b>Umpires/Scouts/Officials</b>	
Hotel/Motel	\$78,750
Food/Entertainment	\$34,650
<b>Visiting NFL Officials</b>	
Hotel/Motel	\$30,000
Food/Entertainment	\$13,200
<b>Total</b>	<b>\$769,560</b>

Spectators that attend activities at the stadium also spend money off-site in association with their visit. These expenditures occur off the stadium premises but within Santa Clara County. Table 2.7 identifies these different expenditures and splits the spectators into in-county and out-of-county groups.

For the 2012 season the total expenditures by visitors on food and entertainment are \$14,725,750 per season, on gasoline \$320,125 per season, on retail \$1,600,625 per season, on lodging \$5,999,143 per season, and on tail gating \$9,872,655 per season. The total amount of off-site visitor spending in Santa Clara County is \$32,518,298 per season. These numbers are based on the assumptions that actual attendance is 64,025 people spending on average per person \$23.00 on Food & Entertainment, \$0.50 on Gas, \$2.50 on Retail, \$9.37 on Lodging, and \$15.42 on tail gating.

Table 2.8 summarizes the revenue streams that are generated on-site by in-county and out-of-county visitors. Total on-site expenditures for the 2012 season are \$350,241,640.

**Table 2.7**  
**Off-Site Revenue Generated by Visiting Spectators**

<b>Item</b>	<b>2012 Expenditure</b>	<b>Inside County</b>	<b>Outside County</b>	<b>Total Expenditure</b>
Food and Entertainment	\$14,725,750	\$2,404,288	\$12,321,462	\$14,725,750
Gas and Auto Expenditures	\$320,125	\$52,267	\$267,858	\$320,125
Retail	\$1,600,625	\$261,336	\$1,339,289	\$1,600,625
Hotel	\$5,999,143	\$979,486	\$5,019,657	\$5,999,143
Tail Gating	\$9,872,655	\$1,611,918	\$8,260,737	\$9,872,655
<b>Total</b>	<b>\$32,518,298</b>	<b>\$5,309,294</b>	<b>\$27,209,003</b>	<b>\$32,518,298</b>

**Table 2.8**  
**Summary of Team Generated Revenue**

<b>Item</b>	<b>2012 Expenditure</b>	<b>Inside County</b>	<b>Outside County</b>	<b>Total Expenditure</b>
Ticket & Premium Seating Revenue	\$127,023,500	\$20,739,252	\$106,284,248	\$127,023,500
Concession Revenue	\$10,276,013	\$1,677,775	\$8,598,238	\$10,276,013
Novelty Revenue	\$1,863,128	\$304,195	\$1,558,933	\$1,863,128
Parking Revenue	\$5,910,000	\$964,932	\$4,945,068	\$5,910,000
Total Non-Game Revenue	\$205,169,000		\$205,169,000	\$205,169,000
<b>Total</b>	<b>\$350,241,640</b>	<b>\$29,003,073</b>	<b>\$321,238,567</b>	<b>\$350,241,640</b>

Table 2.9 summarizes the total revenue streams for all of the on- and off-site activities related to the San Francisco 49ers Stadium in Santa Clara County. Total on- and off-site expenditures for the 2012 season are \$383,529,498.

**Table 2.9**  
**Summary of Expenditures**

<b>Item</b>	<b>Inside County</b>	<b>Outside County</b>	<b>Total Expenditures</b>
<b>On-site Revenue</b>			
Total On-site Direct Revenue	\$29,003,073	\$321,238,567	\$350,241,640
<b>Off-site Revenue (Visiting Team)</b>			
Food and Entertainment	\$0	\$249,810	\$249,810
Hotel/Motel	\$0	\$519,750	\$519,750
<b>Off-site Revenue (Visiting Spectators)</b>			
Food and Entertainment	\$2,404,288	\$12,321,462	\$14,725,750
Automotive/Gas	\$52,267	\$267,858	\$320,125
Retail	\$261,336	\$1,339,289	\$1,600,625
Hotel/Motel	\$979,486	\$5,019,657	\$5,999,143
Tail Gating	\$1,611,918	\$8,260,737	\$9,872,655
<b>Total</b>	<b>\$34,312,367</b>	<b>\$349,217,130</b>	<b>\$383,529,498</b>

Table 2.10 describes the economic output impact on Santa Clara County that is attributable to 49ers football games. The amounts can be seen as additional economic output that is produced within Santa Clara County because of the team and its stadium. All of the on-site revenues generate a total output impact of \$539,401,546 for the season. All of the off-site revenues generate a total output impact of \$48,906,303 per season. The combined on- and off-site output impact on Santa Clara County is \$588,307,849 for the 2012 season.

**Table 2.10**  
**Annual Output Impact for 2012**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>On-site Revenue</b>				
Total On-site Direct Revenue	\$350,241,640	\$59,879,062	\$129,280,844	\$539,401,546
<b>Off-site Revenue (Visiting Team)</b>				
Food and Entertainment	\$249,810	\$59,037	\$48,704	\$357,551
Hotel/Motel	\$519,750	\$136,140	\$110,206	\$766,096
<b>Off-site Revenue (Visiting Spectators)</b>				
Food and Entertainment	\$14,725,750	\$3,480,078	\$2,871,021	\$21,076,848
Automotive/Gas	\$320,125	\$83,344	\$64,177	\$467,646
Retail	\$1,600,625	\$461,087	\$381,237	\$2,442,951
Hotel/Motel	\$5,999,143	\$1,571,379	\$1,272,040	\$8,842,562
Tail Gating	\$9,872,655	\$2,548,626	\$2,531,359	\$14,952,649
<b>Total On-Site</b>	<b>\$350,241,640</b>	<b>\$59,879,062</b>	<b>\$129,280,844</b>	<b>\$539,401,546</b>
<b>Total Off-Site</b>	<b>\$33,287,858</b>	<b>\$8,339,690</b>	<b>\$7,278,744</b>	<b>\$48,906,303</b>
<b>Total Output Impact</b>	<b>\$383,529,498</b>	<b>\$68,218,752</b>	<b>\$136,559,588</b>	<b>\$588,307,849</b>

Table 2.11 describes the number of jobs that are annually supported as a result of having the San Francisco 49ers stadium. These numbers represent full and part time employment within Santa Clara County. A total of 2,735 jobs are annually supported within the Santa Clara County economy due to the team's on-site revenues. The total off-site employment impact is 480 jobs. The combined on- and off-site employment impacts are 3,215 jobs.

Table 2.12 describes the amount of economic value added that is generated within the Santa Clara economy by football and associated operations at the 49ers stadium. By presenting the estimates of value added we can directly address the incremental productive activity taking place within a local region that results from a specific economic activity. As a result, we do not need to be concerned with reducing or adjusting expenditures because we are clearly measuring only the extent of local productive activity. On-site expenditures generate \$400,280,663 of value



added, while off-site activities add another \$29,620,188 of value added, producing a total of \$429,900,851 of total economic value added within Santa Clara County for the 2012 season.

**Table 2.11**  
**Annual Employment Impact for 2012**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>On-site Revenue</b>				
Total On-site Direct Revenue	1,629	323	783	2,735
<b>Off-site Revenue (Visiting Team)</b>				
Food and Entertainment	4	0	0	4
Hotel/Motel	5	1	1	6
<b>Off-site Revenue (Visiting Spectators)</b>				
Food and Entertainment	213	17	17	247
Automotive/Gas	2	0	0	3
Retail	21	2	2	25
Hotel/Motel	54	8	8	70
Tail Gating	97	13	15	125
<b>Total On-Site</b>	<b>1,629</b>	<b>323</b>	<b>783</b>	<b>2,735</b>
<b>Total Off-Site</b>	<b>395</b>	<b>41</b>	<b>44</b>	<b>480</b>
<b>Total Employment Impact</b>	<b>2,024</b>	<b>364</b>	<b>827</b>	<b>3,215</b>

**Table 2.12**  
**Annual Value Added Impact for 2012**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>On-site Revenue</b>				
Total On-site Direct Revenue	\$275,240,545	\$41,594,697	\$83,445,421	\$400,280,663
<b>Off-site Revenue (Visiting Team)</b>				
Food and Entertainment	\$131,259	\$33,430	\$31,437	\$196,126
Hotel/Motel	\$344,676	\$83,526	\$71,134	\$499,336
<b>Off-site Revenue (Visiting Spectators)</b>				
Food and Entertainment	\$7,737,454	\$1,970,600	\$1,853,118	\$11,561,172
Automotive/Gas	\$209,005	\$54,138	\$41,424	\$304,567
Retail	\$985,865	\$299,509	\$246,072	\$1,531,448
Hotel/Motel	\$3,978,373	\$964,086	\$821,055	\$5,763,514
Tail Gating	\$6,474,615	\$1,655,516	\$1,633,895	\$9,764,026
<b>Total On-Site</b>	<b>\$275,240,545</b>	<b>\$41,594,697</b>	<b>\$83,445,421</b>	<b>\$400,280,663</b>
<b>Total Off-Site</b>	<b>\$19,861,248</b>	<b>\$5,060,804</b>	<b>\$4,698,134</b>	<b>\$29,620,188</b>
<b>Total Value Added Impact</b>	<b>\$295,101,793</b>	<b>\$46,655,501</b>	<b>\$88,143,555</b>	<b>\$429,900,851</b>

### 3. THE ECONOMIC IMPACT OF OTHER STADIUM EVENTS

In addition to the football activities at the proposed new stadium there are also other events that can make use of the facilities and thereby generate an economic impact on Santa Clara County's economy. This part of the study estimates the economic impact that is generated by these other events.

This study estimates that an additional 18 events could be held at the stadium on top of the 10 professional football games. These 18 events provide two important effects for the local community. First, these events produce an additional economic impact including jobs. Second, and possibly more important, these 18 additional events provide entertainment opportunities for out-of-county and local residents that are not professional football based. This means that direct stadium benefits are extended to a wider range of people. Also, these 18 events tend to have lower costs and therefore open up stadium use to a wider range of the population.

Table 3.1 shows the type and number of other events that take place in the 2012 season and the associated per capita spending of the people who attend these events. These events include concerts, soccer matches, college football games, a college bowl game, a motor sport event, several festivals, parking lot events and other miscellaneous events. Estimates on the number and type of events, and on average ticket prices and per person expenditure levels were

**Table 3.1**  
**Total Expenditures of Other Events**

<b>Events</b>	<b>Concerts</b>	<b>Soccer</b>	<b>College Football</b>	<b>Bowl Game</b>	<b>Motor Sports</b>	<b>Festivals</b>	<b>Parking Lot Events</b>	<b>Other Events</b>
Number of Annual Events	3	2	2	1	1	3	3	3
Average Attendance	37,500	50,000	37,500	45,000	42,500	55,000	5,000	20,000
Average Ticket Price	\$66.90	\$18.90	\$32.34	\$69.34	\$30.90	\$29.94	\$8.94	\$18.94
<b>Per Diem Assumptions</b>								
Food and Entertainment	\$16.39	\$16.39	\$16.39	\$16.39	\$16.39	\$10.92	\$10.92	\$10.92
Gas and Auto Expenditures	\$2.45	\$2.45	\$2.45	\$2.45	\$2.45	\$1.63	\$1.63	\$1.63
Retail	\$4.18	\$4.18	\$4.18	\$4.18	\$4.18	\$2.79	\$2.79	\$2.79
Hotel	\$10.08	\$10.08	\$10.08	\$10.08	\$10.08	\$6.72	\$6.72	\$6.72
Tail gating	\$0.00	\$0.00	\$11.57	\$11.57	\$0.00	\$0.00	\$0.00	\$0.00
Total Per Diem Spending	\$33.10	\$33.10	\$44.66	\$44.66	\$33.10	\$22.06	\$22.06	\$22.06
<b>Ave. Total Expenditures</b>	<b>\$100.00</b>	<b>\$52.00</b>	<b>\$77.00</b>	<b>\$114.00</b>	<b>\$64.00</b>	<b>\$52.00</b>	<b>\$31.00</b>	<b>\$41.00</b>

based on the information in, "San Francisco 49ers Impact Analysis", prepared by Conventions, Sports & Leisure, International.<sup>2</sup> Some per diem expenditure levels were adjusted using survey results from other sports stadium studies.<sup>3</sup>

**Table 3.2**  
**Direct On-Site Expenditures Generated by Other Events**

<b>Event</b>	<b>2012 Expenditure</b>	<b>Inside County</b>	<b>Outside County</b>	<b>Total Expenditures</b>
Concerts	\$7,526,754	\$1,228,901	\$6,297,854	\$7,526,754
Soccer	\$1,890,448	\$308,655	\$1,581,793	\$1,890,448
College Football	\$2,425,461	\$396,007	\$2,029,454	\$2,425,461
Bowl Game	\$3,120,277	\$509,451	\$2,610,826	\$3,120,277
Motor Sports	\$1,313,441	\$214,447	\$1,098,994	\$1,313,441
Festivals	\$4,939,493	\$806,476	\$4,133,017	\$4,939,493
Parking Lot Events	\$134,045	\$21,886	\$112,159	\$134,045
Other Events	\$1,136,179	\$185,505	\$950,674	\$1,136,179
<b>Total</b>	<b>\$22,486,098</b>	<b>\$3,671,327</b>	<b>\$18,814,771</b>	<b>\$22,486,098</b>

Table 3.2 shows the amounts of total on-site expenditures that these events generate. Concerts generate \$7,526,754, festivals generate \$4,939,493 of total expenditures, the bowl game generates \$3,120,277 and other college football games generate \$2,425,461 of direct on-site expenditures. The total amount of on-site expenditures generated by these events for the 2012/13 season is \$22,486,098.

Table 3.3 shows the total off-site expenditures of visitors that attend the other events that occur at the stadium and accrue within Santa Clara County. Visitors spend a total of \$19,093,902 off-site for the 2012 season.

**Table 3.3**  
**Direct Off-Site Revenue Generated by Other Events**

<b>Item</b>	<b>2012 Expenditure</b>	<b>Inside County</b>	<b>Outside County</b>	<b>Total Expenditures</b>
Food and Entertainment	\$8,766,086	\$1,431,247	\$7,334,838	\$8,766,086
Gas and Auto Expenditures	\$1,310,275	\$213,930	\$1,096,345	\$1,310,275
Retail	\$2,237,903	\$365,385	\$1,872,518	\$2,237,903
Hotel	\$5,391,838	\$880,331	\$4,511,508	\$5,391,838
Tail Gating	\$1,387,800	\$226,587	\$1,161,213	\$1,387,800
<b>Total</b>	<b>\$19,093,902</b>	<b>\$3,117,480</b>	<b>\$15,976,422</b>	<b>\$19,093,902</b>

<sup>2</sup> Conventions, Sports & Leisure, International. "San Francisco 49ers Impact Analysis". March 23, 2007.

<sup>3</sup> Connaughton, John E. "The Economic Impact of the Charlotte Bobcats: 2004/2005 and 2005/2006. September 2005.

Table 3.4 shows the estimated economic output impact on Santa Clara County for the 2012 season that is generated by other events. The total direct on-site impact is \$34,630,480. The total off-site impact is \$27,925,810. The total on-site and off-site impact is \$62,556,290 of additional economic activity in Santa Clara County.

**Table 3.4**  
**Annual Output Impact Generated by Other Events for 2012**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>On-site Revenue</b>				
Total On-site Direct Revenue	\$22,486,098	\$3,844,336	\$8,300,046	\$34,630,480
<b>Off-site Revenue (Visiting Spectators)</b>				
Food and Entertainment	\$8,766,086	\$2,071,654	\$1,709,089	\$12,546,828
Automotive/Gas	\$1,310,275	\$341,126	\$262,679	\$1,914,078
Retail	\$2,237,903	\$644,666	\$533,024	\$3,415,595
Hotel/Motel	\$5,391,838	\$1,412,306	\$1,143,269	\$7,947,414
Tail Gating	\$1,387,800	\$358,261	\$355,833	\$2,101,895
<b>Total On-Site</b>	<b>\$22,486,098</b>	<b>\$3,844,336</b>	<b>\$8,300,046</b>	<b>\$34,630,480</b>
<b>Total Off-Site</b>	<b>\$19,093,902</b>	<b>\$4,828,012</b>	<b>\$4,003,894</b>	<b>\$27,925,810</b>
<b>Total Output Impact</b>	<b>\$41,580,000</b>	<b>\$8,672,348</b>	<b>\$12,303,940</b>	<b>\$62,556,290</b>

The increase of \$50,009,462 of additional economic output due to special events at the 49ers Stadium annually supports 450 new jobs out of which 176 are on-site and 274 are off-site. Table 3.5 present the employment impact of other events held at the proposed stadium.

**Table 3.5**  
**Annual Employment Impact Generated by Other Events for 2012**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>On-site Revenue</b>				
Total On-site Direct Revenue	105	21	50	176
<b>Off-site Revenue (Visiting Spectators)</b>				
Food and Entertainment	127	10	10	147
Automotive/Gas	8	2	2	11
Retail	29	3	3	35
Hotel/Motel	49	7	7	63
Tail Gating	14	2	2	18
<b>Total On-Site</b>	<b>105</b>	<b>21</b>	<b>50</b>	<b>176</b>
<b>Total Off-Site</b>	<b>226</b>	<b>24</b>	<b>24</b>	<b>274</b>
<b>Total Employment Impact</b>	<b>331</b>	<b>44</b>	<b>75</b>	<b>450</b>

Table 3.6 shows the value added approach to measuring increased economic activity. During the 2012 season other events generate an additional \$42,521,302 of total value added.

**Table 3.6**  
**Annual Value Added Impact Generated by Other Events for 2012**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>On-site Revenue</b>				
Total On-site Direct Revenue	\$17,670,903	\$2,670,449	\$5,357,335	\$25,698,687
<b>Off-site Revenue (Visiting Spectators)</b>				
Food and Entertainment	\$4,606,026	\$1,173,078	\$1,103,142	\$6,882,245
Automotive/Gas	\$855,459	\$221,586	\$169,550	\$1,246,594
Retail	\$1,378,380	\$418,756	\$344,044	\$2,141,183
Hotel/Motel	\$3,575,635	\$866,490	\$737,938	\$5,180,063
Tail Gating	\$910,137	\$232,716	\$229,677	\$1,372,530
<b>Total On-Site</b>	<b>\$17,670,903</b>	<b>\$2,670,449</b>	<b>\$5,357,335</b>	<b>\$25,698,687</b>
<b>Total Off-Site</b>	<b>\$11,325,638</b>	<b>\$2,912,626</b>	<b>\$2,584,350</b>	<b>\$16,822,615</b>
<b>Total Value Added Impact</b>	<b>\$28,996,540</b>	<b>\$5,583,075</b>	<b>\$7,941,685</b>	<b>\$42,521,302</b>

#### **4. THE ECONOMIC IMPACT OF THE CONSTRUCTION OF THE 49ERS STADIUM**

Parts two and three of this study described the on-going economic impacts of the proposed new stadium. The construction process also generates a one-time increase in economic activity in Santa Clara County. The construction activity takes place during 2007, 2008, 2009, 2010, 2011, and first half of 2012. Table 4.2 displays the different IMPLAN multipliers that are used to estimate the output, employment and value added impacts on Santa Clara County for the construction period. Construction expenditures are either classified as general construction activity using the IMPLAN 38 (Commercial & Institutional Buildings) multiplier or as architectural and engineering type expenditures using IMPLAN 439 (Architectural & Engineering Services).

Tables 4.3 through 4.8 provide the annual economic impacts that are generated by the construction process. The economic impacts are measured as additional economic output, employment and value added.

In 2007 construction activity adds \$16,515,568 of economic output, \$10,588,247 of value added and supports 113 jobs. In 2008 construction activity generates \$15,079,098 of economic output, \$9,670,422 of value added and 100 new jobs. For 2009, stadium construction generates

**Table 4.2**  
**Adjusted Construction Multipliers**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b><i>Commercial &amp; Institutional Buildings</i></b>				
Output Multiplier	1.000000	0.178916	0.283343	1.462259
Value Added Multiplier	0.634113	0.110635	0.182887	0.927636
2007 Employment Multiplier	7.640743	1.302678	1.989191	10.932613
2008 Employment Multiplier	7.418197	1.264736	1.931254	10.614187
2009 Employment Multiplier	7.202133	1.227899	1.875003	10.305036
2010 Employment Multiplier	6.992363	1.192135	1.820392	10.004890
2011 Employment Multiplier	6.788702	1.157413	1.767371	9.713485
2012 Employment Multiplier	6.590972	1.123702	1.715894	9.430568
<b><i>Architectural &amp; Engineering Services</i></b>				
Output Multiplier	1.000000	0.283313	0.329316	1.612628
Value Added Multiplier	0.641852	0.181826	0.212560	1.036237
2007 Employment Multiplier	6.471870	2.045301	2.311925	10.829097
2008 Employment Multiplier	6.283369	1.985729	2.244588	10.513686
2009 Employment Multiplier	6.100358	1.927893	2.179211	10.207462
2010 Employment Multiplier	5.922678	1.871740	2.115739	9.910158
2011 Employment Multiplier	5.750173	1.817224	2.054116	9.621512
2012 Employment Multiplier	5.582692	1.764295	1.994287	9.341274

\$87,209,106 of economic output, \$55,480,782 in value added, and supports 601 full and part time jobs in Santa Clara County. During 2010 construction activity adds \$354,539,158 of economic output, \$225,022,741 of value added, which supports 2,416 new jobs. For 2011 economic activity increases by \$551,241,190 in output, \$349,771,414 of value added and 3,656 new jobs, and finally in 2012 construction activity generates \$168,553,842 of economic output, \$106,928,124 of value added and 1,087 new jobs.

**Table 4.3**  
**Annual Construction Impacts for 2007**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b><i>Output</i></b>				
General Construction Expenditures	\$2,026,361	\$362,548	\$574,155	\$2,963,065
Architectural & Engineering Expenditures	\$8,403,986	\$2,380,959	\$2,767,567	\$13,552,503
<b><i>Employment</i></b>				
General Construction Expenditures	15	3	4	22
Architectural & Engineering Expenditures	54	17	19	91
<b><i>Value Added</i></b>				
General Construction Expenditures	\$1,284,942	\$224,186	\$370,595	\$1,879,726
Architectural & Engineering Expenditures	\$5,394,115	\$1,528,063	\$1,786,351	\$8,708,521

**Table 4.4**  
**Annual Construction Impacts for 2008**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<i><b>Output</b></i>				
General Construction Expenditures	\$1,590,733	\$284,608	\$450,723	\$2,326,064
Architectural & Engineering Expenditures	\$7,908,231	\$2,240,505	\$2,604,307	\$12,753,034
<i><b>Employment</b></i>				
General Construction Expenditures	12	2	3	17
Architectural & Engineering Expenditures	50	16	18	83
<i><b>Value Added</b></i>				
General Construction Expenditures	\$1,008,704	\$175,991	\$290,924	\$1,475,621
Architectural & Engineering Expenditures	\$5,075,914	\$1,437,922	\$1,680,974	\$8,194,801

**Table 4.5**  
**Annual Construction Impacts for 2009**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<i><b>Output</b></i>				
General Construction Expenditures	\$46,566,592	\$8,331,508	\$13,194,318	\$68,092,419
Architectural & Engineering Expenditures	\$11,854,369	\$3,358,497	\$3,903,833	\$19,116,687
<i><b>Employment</b></i>				
General Construction Expenditures	335	57	87	480
Architectural & Engineering Expenditures	72	23	26	121
<i><b>Value Added</b></i>				
General Construction Expenditures	\$29,528,482	\$5,151,895	\$8,516,424	\$43,196,847
Architectural & Engineering Expenditures	\$7,608,750	\$2,155,432	\$2,519,765	\$12,283,935

**Table 4.6**  
**Annual Construction Impacts for 2010**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<i><b>Output</b></i>				
General Construction Expenditures	\$233,424,770	\$41,763,426	\$66,139,275	\$341,327,471
Architectural & Engineering Expenditures	\$8,192,644	\$2,321,083	\$2,697,969	\$13,211,687
<i><b>Employment</b></i>				
General Construction Expenditures	1,632	278	425	2,335
Architectural & Engineering Expenditures	49	15	17	81
<i><b>Value Added</b></i>				
General Construction Expenditures	\$148,017,681	\$25,824,949	\$42,690,356	\$216,533,220
Architectural & Engineering Expenditures	\$5,258,465	\$1,489,636	\$1,741,428	\$8,489,521

**Table 4.7**  
**Annual Construction Impacts for 2011**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<i><b>Output</b></i>				
General Construction Expenditures	\$370,971,063	\$66,372,659	\$105,112,054	\$542,455,776
Architectural & Engineering Expenditures	\$5,447,886	\$1,543,457	\$1,794,076	\$8,785,414
<i><b>Employment</b></i>				
General Construction Expenditures	2,518	429	656	3,603
Architectural & Engineering Expenditures	31	10	11	52
<i><b>Value Added</b></i>				
General Construction Expenditures	\$235,237,574	\$41,042,384	\$67,845,785	\$344,126,113
Architectural & Engineering Expenditures	\$3,496,737	\$990,567	\$1,158,003	\$5,645,301

**Table 4.8**  
**Annual Construction Impacts for 2012**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<i><b>Output</b></i>				
General Construction Expenditures	\$115,269,485	\$20,623,555	\$32,660,802	\$168,553,842
Architectural & Engineering Expenditures	\$4,059,677	\$1,150,159	\$1,336,917	\$6,546,749
<i><b>Employment</b></i>				
General Construction Expenditures	760	130	198	1,087
Architectural & Engineering Expenditures	23	7	8	38
<i><b>Value Added</b></i>				
General Construction Expenditures	\$73,093,879	\$12,752,839	\$21,081,290	\$106,928,124
Architectural & Engineering Expenditures	\$2,605,712	\$738,155	\$862,925	\$4,206,788

## **5. THE LOCAL TAX IMPACT OF THE 49ERS STADIUM**

This section addresses the local tax impact that is generated by the increase in economic activity in Santa Clara County due to the construction and operation of the San Francisco 49ers Stadium. The major sources of local tax revenue are property and sales taxes. In addition, a wide range of other miscellaneous taxes are collected by county and local governments. The report estimates separately the total local property tax impacts for all jurisdictions within Santa Clara County. The report also estimates separately the total local sales tax collections for all jurisdictions within Santa Clara County. Finally, all miscellaneous taxes are lumped together and estimated for all jurisdictions within Santa Clara County.

Local sales tax estimates are based on sales tax collected as a percent of current total county output. This ratio is then applied to the direct, indirect, and induced output estimates for



either on-going or construction activities. Local property tax estimates are based on total assessed property value as a percent of total output multiplied by 1.0 percent. This ratio is applied to indirect and induced impacts only. Direct property taxes for the stadium itself are based on information provided by the San Francisco 49ers.

Table 5.1 depicts the local tax impact that is generated by the team's football activity during the 2012 season. Santa Clara County experiences an increase of \$1,605,821 in its sales tax revenues, an increase of \$4,536,921 in property tax revenues, and a \$943,541 increase in other tax revenues. The total local tax impact generated by the team's regular football activities during the 2012 season are increased tax revenues of \$7,086,282.

**Table 5.1**  
**Local Tax Impact - Stadium Operations**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Sales	\$1,046,866	\$186,207	\$372,747	\$1,605,821
Property	\$2,542,000	\$664,577	\$1,330,344	\$4,536,921
Other	\$615,113	\$109,411	\$219,017	\$943,541
<b>Total</b>	<b>\$4,203,979</b>	<b>\$960,195</b>	<b>\$1,922,108</b>	<b>\$7,086,282</b>

Table 5.2 presents the local tax impact that is attributable to other events taking place during the 2012 football season in the San Francisco 49ers Stadium. Other activities at the stadium generate an additional \$136,504 of sales tax revenues, followed by a \$167,516 increase in property taxes, and finally an increase of \$80,206 in other tax revenues. The total local tax impact that is generated by other activities at the stadium is \$384,227.

**Table 5.2**  
**Local Tax Impact - Other Events**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Sales	\$89,568	\$18,017	\$28,919	\$136,504
Property	NA	\$64,303	\$103,213	\$167,516
Other	\$52,628	\$10,586	\$16,992	\$80,206
<b>Total</b>	<b>\$142,195</b>	<b>\$92,906</b>	<b>\$149,125</b>	<b>\$384,227</b>

Table 5.3 addresses the local tax impact on Santa Clara County that is caused by the construction process of the stadium. The table depicts the total local tax impact of the entire six-year construction period. Sales tax revenues increase by \$3,072,716. Property tax revenues

increase by \$3,466,830, while other tax revenues grow by \$1,805,451. Santa Clara County experienced a total increase of \$8,344,997 in tax revenues due to the six-year construction process of the San Francisco 49ers Stadium.

**Table 5.3**  
**Local Six-Year Tax Impact - Construction**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
Sales	\$2,101,348	\$375,965	\$595,402	\$3,072,716
Property	NA	\$1,341,826	\$2,125,004	\$3,466,830
Other	\$1,234,700	\$220,908	\$349,844	\$1,805,451
<b>Total</b>	<b>\$3,336,049</b>	<b>\$1,938,699</b>	<b>\$3,070,250</b>	<b>\$8,344,997</b>

## 6. CONCLUSIONS

Table 6.1 presents a summary of the both the on-site and off-site economic impacts of all stadium on-going operations during the 2012/2013 season. Total annual output impact is \$650,864,140. The total number of full and part-time job supported by the on-going operation is 3,665. Total value added within Santa Clara County resulting from on-going operations of the proposed new stadium is \$472,422,153.

**Table 6.1**  
**Summary of On-Going Impacts for 2012**

<b>Item</b>	<b>Direct</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
<b>Output Impacts 2012</b>				
Stadium Operations	\$383,529,498	\$68,218,752	\$136,559,588	\$588,307,849
Other Events	\$41,580,000	\$8,672,348	\$12,303,940	\$62,556,290
<b>Total</b>	<b>\$425,109,498</b>	<b>\$76,891,101</b>	<b>\$148,863,528</b>	<b>\$650,864,140</b>
<b>Employment Impacts 2012</b>				
Stadium Operations	2,024	364	827	3,215
Other Events	331	44	75	450
<b>Total</b>	<b>2,355</b>	<b>408</b>	<b>901</b>	<b>3,665</b>
<b>Value Added Impacts 2012</b>				
Stadium Operations	\$295,101,793	\$46,655,501	\$88,143,555	\$429,900,851
Other Events	\$28,996,540	\$5,583,075	\$7,941,685	\$42,521,302
<b>Total</b>	<b>\$324,098,333</b>	<b>\$52,238,576</b>	<b>\$96,085,240</b>	<b>\$472,422,153</b>

Table 6.2 presents the spin-off impact for the top 20 industries in Santa Clara County as a result of the on-site and off-site on-going operations of the proposed new stadium. The table presents the dollar output value of indirect (supplier chain) impacts and induced impacts by

IMPLAN industry. In addition, the industries are ranked by the total indirect and induced impacts.

Table 6.3 presents the spin-off employment impact for the top 20 industries in Santa Clara County as a result of the on-site and off-site on-going operations of the proposed new stadium. The table presents the number of full and part-time indirect (supplier chain) employees and induced employees by IMPLAN industry. In addition, the industries are ranked by the total indirect and induced employment levels.

**Table 6.2**  
**Top 20 Output Spin-Off Industries**

IMPLAN Code	Industry	Indirect	Induced	Total
509	Owner-occupied dwellings	\$0	\$23,556,814	\$23,556,814
431	Real estate	\$5,005,009	\$6,628,391	\$11,633,400
467	Hospitals	\$0	\$9,466,747	\$9,466,747
481	Food services and drinking places	\$859,103	\$8,419,347	\$9,278,450
390	Wholesale trade	\$1,637,324	\$7,630,186	\$9,267,510
465	Offices of physicians- dentists- and other health	\$0	\$8,783,705	\$8,783,705
430	Monetary authorities and depository institutions	\$1,419,272	\$4,186,474	\$5,605,746
30	Power generation and supply	\$2,037,704	\$3,442,014	\$5,479,718
421	Cable networks and program distribution	\$4,086,113	\$1,234,777	\$5,320,890
437	Legal services	\$1,406,341	\$2,580,667	\$3,987,008
422	Telecommunications	\$1,417,981	\$2,499,428	\$3,917,409
474	Promoters of performing arts and sports and agents	\$3,594,715	\$81,675	\$3,676,390
401	Motor vehicle and parts dealers	\$177,499	\$3,401,367	\$3,578,866
451	Management of companies and enterprises	\$1,909,310	\$1,558,389	\$3,467,699
425	Non-depository credit intermediation	\$1,934,317	\$1,329,647	\$3,263,964
483	Automotive repair and maintenance- except car wash	\$190,349	\$2,954,276	\$3,144,625
405	Food and beverage stores	\$167,564	\$2,863,717	\$3,031,281
160	Pharmaceutical and medicine manufacturing	\$370,020	\$2,414,998	\$2,785,018
466	Other ambulatory health care services	\$478,654	\$2,280,047	\$2,758,701
426	Securities- commodity contracts- investments	\$599,596	\$1,910,588	\$2,510,184

**Table 6.3**  
**Top 20 Employment Spin-Off Industries**

<b>IMPLAN Code</b>	<b>Industry</b>	<b>Indirect</b>	<b>Induced</b>	<b>Total</b>
481	Food services and drinking places	12	122	134
465	Offices of physicians- dentists- and other health	0	65	65
474	Promoters of performing arts and sports and agents	55	1	56
467	Hospitals	0	54	54
431	Real estate	20	27	47
494	Private households	0	34	34
405	Food and beverage stores	2	28	30
454	Employment services	19	11	30
390	Wholesale trade	5	23	28
483	Automotive repair and maintenance- except car wash	2	25	26
410	General merchandise stores	2	22	24
468	Nursing and residential care facilities	0	24	24
412	Non-store retailers	3	20	23
401	Motor vehicle and parts dealers	1	20	21
458	Services to buildings and dwellings	9	12	21
462	Colleges- universities- and junior colleges	1	20	21
478	Other amusement- gambling- and recreation industries	0	19	19
411	Miscellaneous store retailers	1	17	18
408	Clothing and clothing accessories stores	1	16	17
437	Legal services	6	11	16

The addition of a new multi-purpose stadium in Santa Clara County will play an important role in the economic fabric of the county. In addition to the entertainment and cultural enrichment value the stadium will have a significant impact on the county's economy. This report has documented the annual economic impact that on-going operations of the stadium have on the Santa Clara County economy based on income and expenditure information provided for the 2012/2013 season.

**The major findings for the 2012/2013 season are:**

- The total annual economic impact of on-site on-going stadium operations on Santa Clara County is \$574,032,026.
- The total annual economic impact of off-site on-going stadium operations on Santa Clara County is \$76,832,114.
- The total annual economic impact of both on-site and off-site on-going stadium operations on Santa Clara County is \$650,864,140.
- The total number of on-site jobs supported, within Santa Clara County, by the on-going stadium operations is 2,910.

- The total number of off-site jobs supported, within Santa Clara County, by the on-going stadium operations is 755.
- The total number of both on-site and off-site jobs supported, within Santa Clara County, by the on-going stadium operations is 3,665.
- The total annual value added impact of on-site on-going stadium operations on Santa Clara County is \$425,979,350.
- The total annual value added impact of off-site on-going stadium operations on Santa Clara County is \$46,442,803.
- The total annual value added impact of both on-site and off-site on-going stadium operations on Santa Clara County is \$472,422,153.
- The total local annual tax impact of on-going stadium operations is \$7,470,509.
- The total local tax impact over the six years of construction of the proposed stadium is \$8,344,997.